

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7173

BILL NUMBER: SB 490

NOTE PREPARED: Jan 5, 2009

BILL AMENDED:

SUBJECT: Property Taxes.

FIRST AUTHOR: Sen. Broden

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides a property tax replacement credit against county property tax levies to taxpayers in certain taxing districts in which the assessed valuation subject to property tax exemption is proportionally greater than the average assessed valuation (weighted for the relative taxable assessed value) subject to exemption in other taxing districts in the county. It specifies that a property tax replacement credit is provided only in counties in which the percentage of assessed valuation subject to exemption for at least one taxing district is at least 20% greater than the county average.

The bill imposes a property tax levy to replace the revenue lost due to the credit in each taxing district in which the assessed valuation subject to exemption is proportionally less than the average assessed valuation subject to exemption in other taxing districts in the county. It specifies that the property taxes imposed to replace the lost revenue are not subject to the circuit breaker credit or to the property tax levy limits.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: There are 20 counties in which there is at least one taxing district where the percentage of gross AV exempted is at least 20% higher than the county average. Within those 20 counties there are 142 taxing districts where the percentage of gross AV exempted is higher than the county

average and 473 districts where the exempt percentage is lower than the county average.

Beginning with property taxes payable in 2010, taxpayers in the 142 “high exemption” districts would receive property tax credits that would be paid for through a property tax levy on the property in the 473 “low exemption” districts. The credit and levy are estimated at about \$18.3 M.

The property tax levy would not be subject to the county’s maximum levy limits nor would it be considered when circuit breaker credits are calculated.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: County auditors.

Information Sources: County auditor abstracts.

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